Even the sinking fund in respect of them had to be provided from the normal revenues.

Mr. S. SHAMANNA, in contradicting the remarks, explained that it was the other way about and that it was the net surplus under interest and receipts from productive works that was being credited to the general revenues.

Mr. A. VENKATESAIYA, continuing, questioned the wisdom of continued borrowing simply because money was available at cheap rates of interest and investing it on speculative enterprises without regard to the possibilities of repaying it when the time came.

Mr. SHAMANNA drew the attention of the member to pages XIV and XV of the detailed Budget and explained that the income from productive works such as the Electrical Works and Railways *plus* the interest received on investments, when compared with the interest paid on Loans, and the contribution to the Loan Sinking Fund, would leave a good surplus, and that that surplus was being utilised for ordinary expenditure. And as regards the nature of the undertakings which the member had chosen to characterise as "speculative," the Government were satisfied that they were justifiable enterprises.

Mr. VENKATESAIYA then referred to the distressingly backward condition of the villages and asked why a portion of the borrowed funds should not be applied to the revival of rural and cottage industries on a large scale. For example, industries like spinning, weaving, tanning, coir-matting, match-making and the like could be started and encouraged. Government were doing their best to provide work for labourers in cities and towns and it was but just that similar attempts should be made to help the people in rural parts also.

At this stage, the Assembly adjourned to meet again at 12 of the clock the following day.

FOURTH DAY.

Friday, 5th June 1936.

The Assembly reassembled at the Jagan Mohan Palace Pavilion on Friday, 5th June 1936, at 12 of the clock, Mr. President (*Amin-ul-mulk* Sir Mirza M. Ismail, K.C.I.E., O.B.E., *Dewan*) in the Chair.

QUESTIONS AND ANSWERS—

(*contd.*).

Reduction of Assessment in Kolar District.

Q.—15. **Messrs. L. VEMA REDDY** (Malur Taluk) and **M. RAME GOWDA** (Chintamani Taluk).—

Will the Government be pleased to state:—

(*a*) were there no suggestions from Kolar District Representative Assembly Members for the reduction of excessive dry rates of assessment in that district;

(*b*) was not an Assessment Enquiry Committee appointed by Government to go into this question;

(*c*) what is the final result of the proceedings of this Committee?

A.—**The CHIEF SECRETARY to GOVERNMENT (Mr. A. V. Ramanathan).**—

(*a*) Yes.

(*b*) Yes.

(*c*) The orders passed on the Committee's report were published in the Gazette.

Mr. L. VEMA REDDY.—There is some mistake in the question as placed before the House. The Committee appointed to enquire into the prevailing rates of assessment in the Kolar District had recommended that as the rates of assessment prevailing in the district were high, the district should be given special relief. My question is, have the Government been giving any special concessions as recommended by the Committee?

Mr. A. V. RAMANATHAN.—Concessions have been given to the extent Government accepted the recommendation.